



大成糖業控股有限公司*
GLOBAL Sweeteners Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 03889



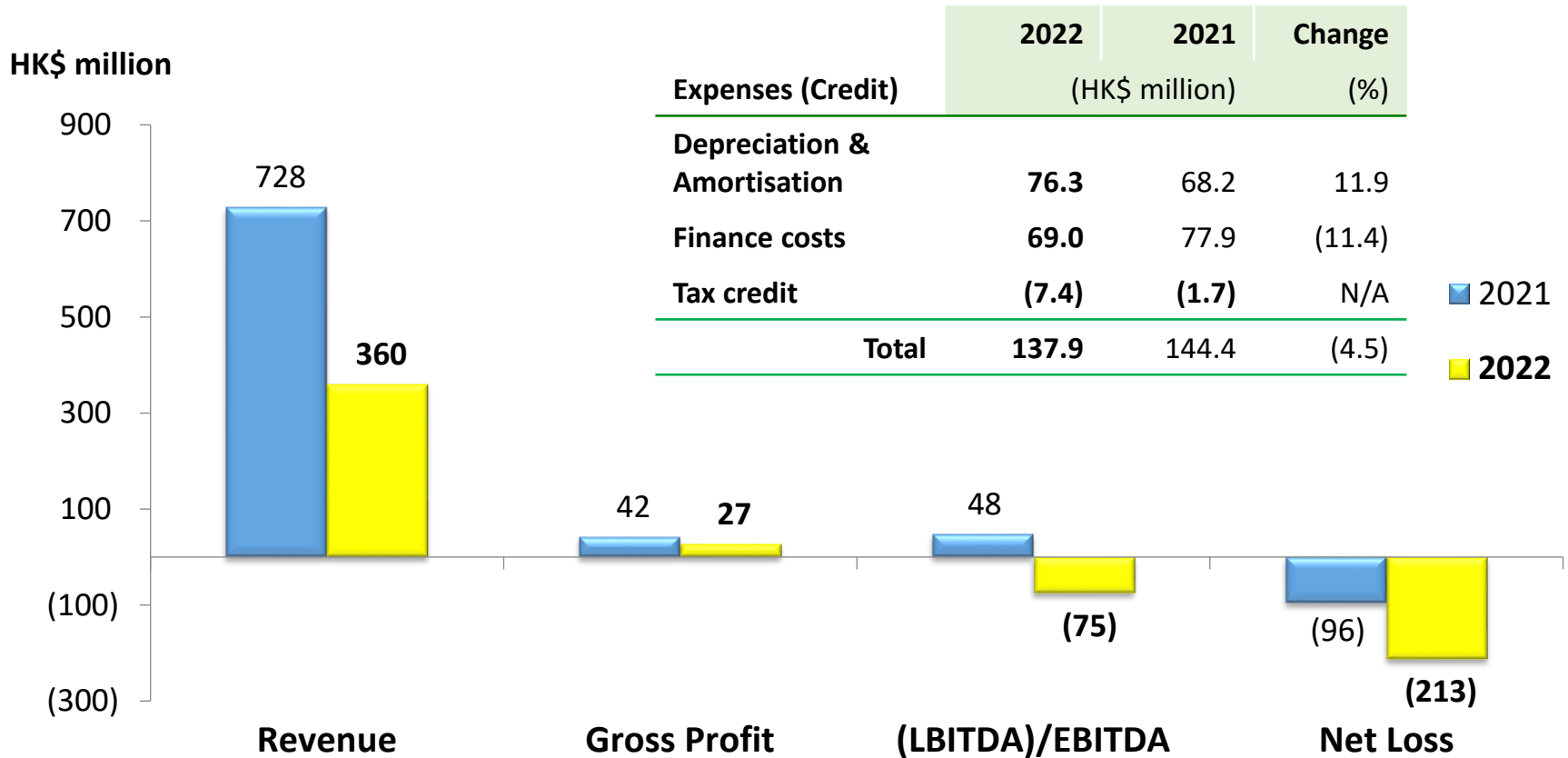
2022 ANNUAL RESULTS

30 March 2023

* For identification purpose only

RESULTS HIGHLIGHTS

- COVID-19 → lockdown in Shanghai → temporary suspension in Shanghai site → sales volume ↓ → revenue ↓ 50.6%; → GP ↓ 34.4%
- Other income and gains ↓ (absence of items such as the recognition of the one-off gain of HK\$128.3 million from completion of Repurchase Agreements in 2021) → net loss of HK\$212.5 million



2022 ANNUAL RESULTS

Financial Overview



OPERATING RESULTS

HK\$ million	2022	2021	% Change
Revenue	359.6	728.1	(50.6)
• Corn Refined Products	-	0.8	(100.0)
• Corn Sweeteners	359.6	727.3	(50.6)
Gross Profit	27.3	41.6	(34.4)
• Corn Refined Products	-	0.1	(100.0)
• Corn Sweeteners	27.3	41.5	(34.2)
Gross Profit Margin (%)	7.6	5.7	1.9% pt
• Corn Refined Products	-	12.5	N/A
• Corn Sweeteners	7.6	5.7	1.9% pt
(LBITDA)/EBITDA	(74.6)	48.2	N/A
Loss Before Tax	(219.9)	(97.9)	N/A
Net Loss	(212.5)	(96.3)	N/A
Basic Loss Per Share (HK cents)	(13.9)	(6.3)	N/A
Dividend Per Share – Final (HK cents)	-	-	N/A



FINANCIAL POSITION



HK\$ million	31 Dec 22	31 Dec 21	% Change
Non-current Assets	564.9	679.5	(16.9)
Current Assets	122.2	255.5	(52.2)
Current Liabilities	1,329.0	1,381.1	(3.8)
Cash and Cash Equivalents	4.3	7.8	(44.9)
Interest-bearing Bank and Other Borrowings	795.4	927.5	(14.2)
Total Deficit	(681.0)	(500.6)	N/A

In view of the Group's financial position and its ability to continue as a going concern, the management will take the following measures:

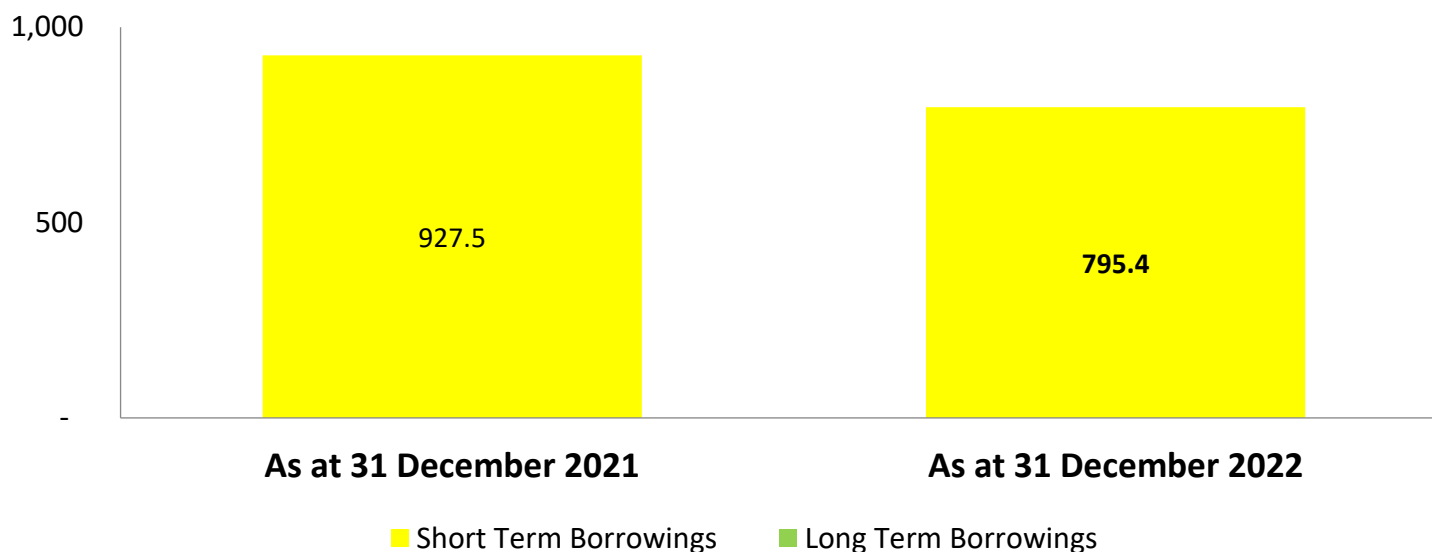
- actively negotiating with banks and creditors for the debt restructuring plan of the Group to improve its financial position;
- accelerating the resumption of the Relevant Properties;
- monitoring of the Group's operating cash outflows;
- obtaining financial support from Nongtou; and
- introducing potential investors to the Company.



BORROWINGS STRUCTURE

HK\$ million	31 Dec 22	31 Dec 21	% Change
Short Term Borrowings	795.4	927.5	(14.2)
Long Term Borrowings	-	-	N/A
Total	795.4	927.5	(14.2)

HK\$ million





KEY FINANCIAL RATIOS



	31 Dec 22	31 Dec 21
Current Ratio	0.09	0.19
Quick Ratio	0.06	0.14
Gearing Ratio*	115.8%	99.2%
Inventory Turnover Days**	47 Days	35 Days
Trade Receivables Turnover Days	50 Days	50 Days
Trade Payables Turnover Days***	94 Days	61 Days

* Gearing ratio is calculated by debts (i.e. total interest-bearing bank and other borrowings) to total assets (i.e. sum of current assets and non-current assets).

** Inventory turnover days increased as the Group stock up before Chinese New Year in January 2023 in preparation for production.

*** Trade payables turnover days increased as the Group negotiated with its creditors to extend credit period.

2022 ANNUAL RESULTS

Operation Overview

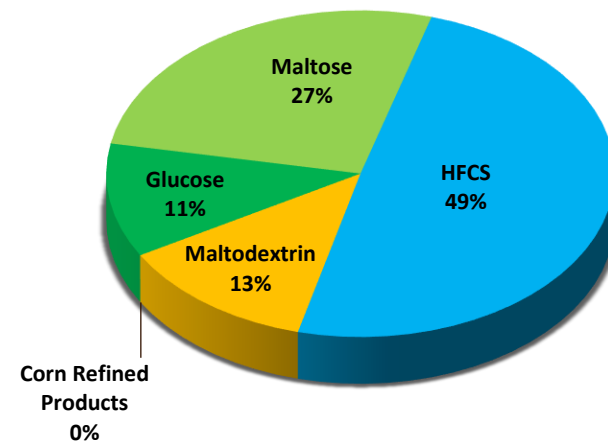




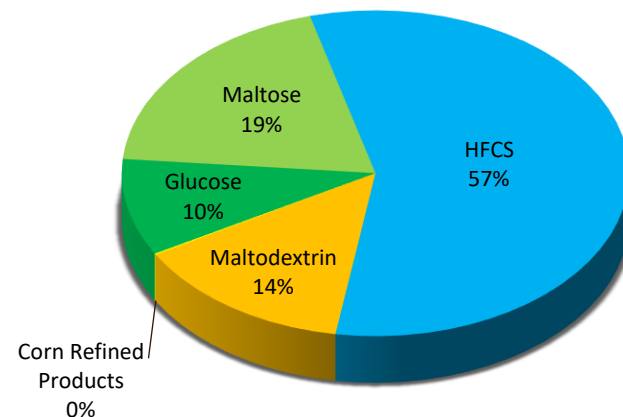
REVENUE BREAKDOWN

Revenue (HK\$ million)	2022	2021	% Change
Upstream			
Corn Refined Products	-	0.8	(100.0)
Downstream			
Glucose Syrup	40.6	70.0	(42.0)
Maltose Syrup	95.4	141.7	(32.7)
HFCS	177.8	412.7	(56.9)
Maltodextrin	45.8	102.9	(55.5)
Sweeteners Sub-total	359.6	727.3	(50.6)
Total	359.6	728.1	(50.6)

2022 Revenue Breakdown



2021 Revenue Breakdown

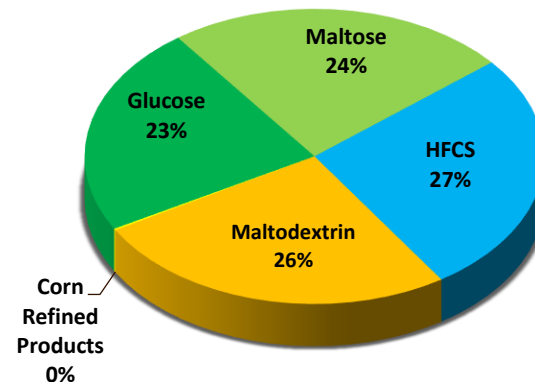




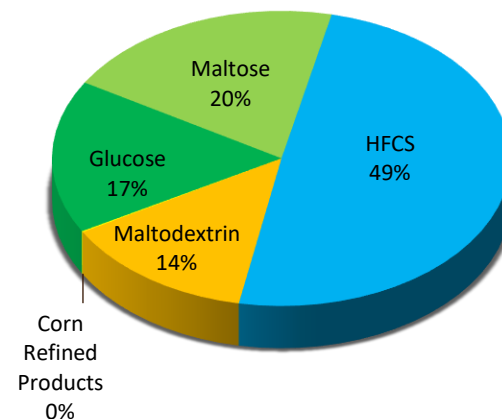
GROSS PROFIT BREAKDOWN

Gross Profit (HK\$ million)	2022	2021	% Change
Upstream			
Corn Refined Products	-	0.1	(100.0)
Downstream			
Glucose Syrup	6.3	7.0	(10.0)
Maltose Syrup	6.5	8.3	(21.7)
HFCS	7.3	20.6	(64.6)
Maltodextrin	7.2	5.6	28.6
Sweeteners Sub-total	27.3	41.5	(34.2)
Total	27.3	41.6	(34.4)

2022 Gross Profit Breakdown



2021 Gross Profit Breakdown



SALES ANALYSIS

Sales Volume ('000 MT)			Gross Profit Margin (%)		
2022*	2021	% Change	2022	2021	% pt Change

Upstream

Corn Refined Products	-	0	(100.0)	-	12.5	N/A
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Downstream

Corn Syrup	74	149	(50.3)	6.4	5.7	0.7
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Corn Syrup Solid	12	29	(58.6)	15.7	5.4	10.3
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Sweeteners

Sub-total

	86	178	(51.7)	7.6	5.7	1.9
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Total	86	178	(51.7)	7.6	5.7	1.9
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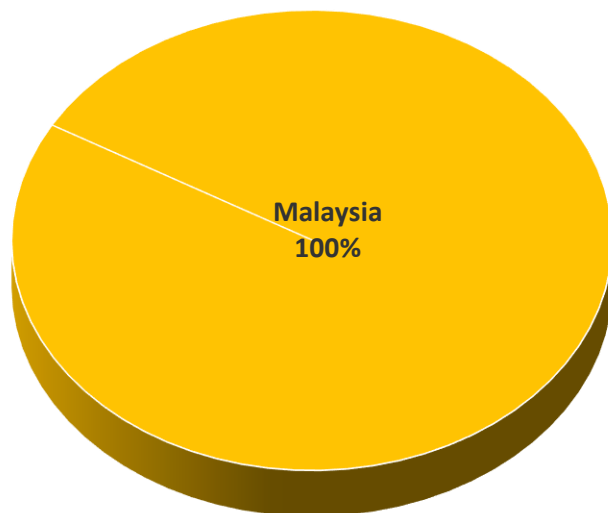
* The substantial drop in sales volume was a result of the temporary suspension in the Group's Shanghai production facilities in the second quarter of 2022 due to the lockdown measures implemented by the Shanghai government.



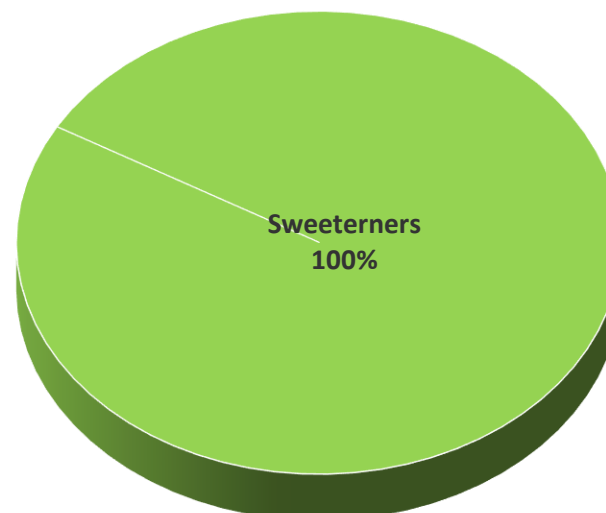
EXPORTS BREAKDOWN

	2022	2021	% Change
Export Sales Revenue (HK\$ Million)	13.0	14.7	(11.6)
Exports Sales Volume ('000 MT)	3	3	-
Export Contribution (%)	3.6	2.0	1.6% pt

Export Sales by Region



Export Sales by Product





CCT – SALES TO & PURCHASE FROM GBT



During the Year, the connected transactions between the Group and the GBT Group was kept at minimal level as most of the Group's production operation was suspended.



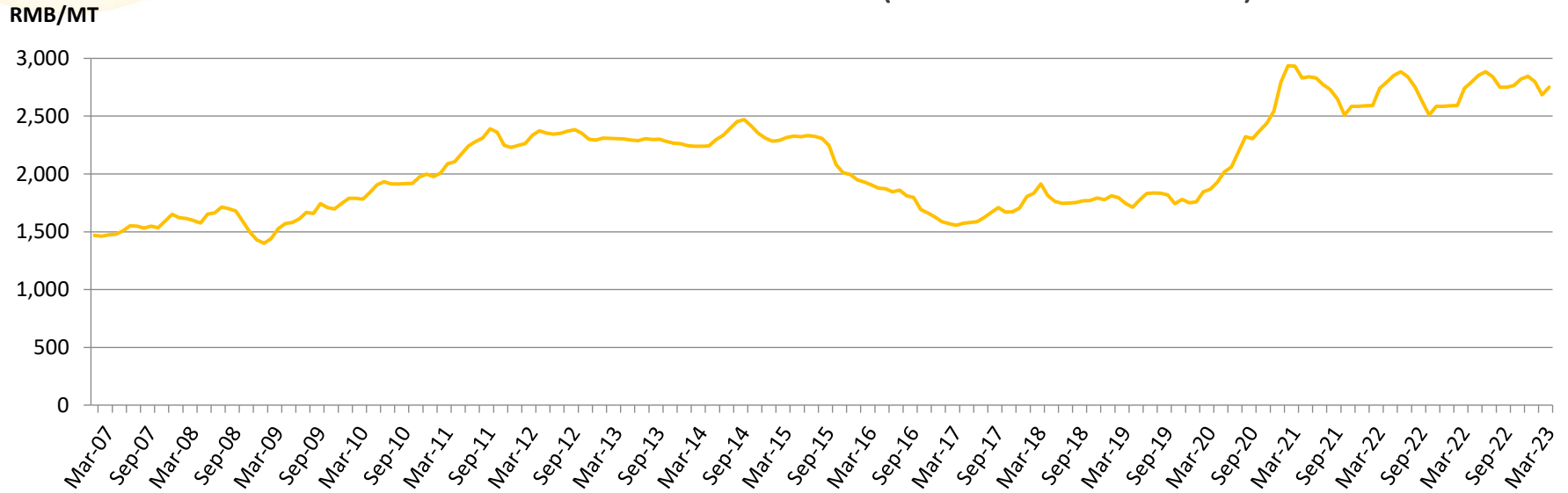
OPERATING COST STRUCTURE



	2022	2021
Raw Material (Corn / Corn Starch)	45.6 %	61.3 %
Utilities (Water, Electricity, Steam & Wastewater Treatment)	3.5 %	4.5 %
Wages and Salaries	17.3 %	11.1 %
Depreciation	14.3 %	7.5 %
Production Overhead (Consumable and Packaging Materials)	8.8 %	6.7 %
Selling, Administrative and Other Expenses	10.5 %	8.9 %

UPSTREAM RAW MATERIAL -- CORN

Corn Price Movement in China (Jan 2007 – Mar 2023)



Source: Feedtrade.com - Based on average price from Northern China (Jilin, Liaoning and Shandong)

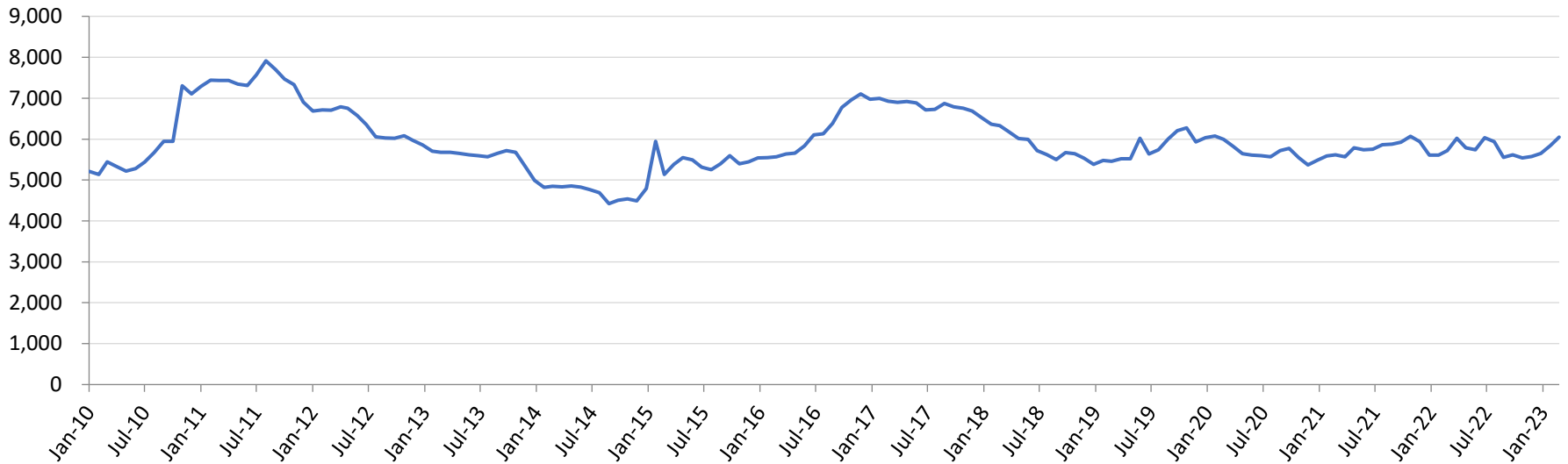
- 2022/23 PRC corn harvest estimates : production at approx. 277.2 million MT (2021/22 : 272.6 million MT) (Source : Ministry of Agriculture and Rural Affairs of China); consumption at 286.6 million MT → continue to import corn to make up the shortfall → domestic corn price expects to stay high in 2023
- Inflationary pressure of commodity products and geopolitical complexity → international corn price is expected to remain at relatively high level in 2023
- Economic recovery in China → demand ↑ → Operating environment is expected to improve in 2023 → the Group will continue to observe market to determine the time to resume its upstream operation

DOWNSTREAM SUBSTITUTE – SUGAR



Sugar Price Movement in China (Jan 2010 – Mar 2023)

RMB/MT



Source: www.msweet.com.cn

- PRC 2022/23 sugar production: approx. 10.1 million MT (2021/22: 9.6 million MT) (Source : Ministry of Agriculture and Rural Affairs of China); consumption maintained at approx. 15.6 million MT
- During 2H22, lockdowns in various cities in China due to the pandemic → many economic activities suspended → demand ↓ → PRC sugar price dropped to RMB5,710/MT end of 2022 (2021: RMB5,834/MT)
- Growing awareness towards healthier eating habits → slowdown in traditional sweeteners market
- Short-term strategies : focus on higher efficiency site in Shanghai
- Long-term strategies : utilise R&D capabilities to improve operational efficiency and develop products that better suit market needs to cope with market changes



CORPORATE STRATEGIES



1) **Active negotiations with banks and creditors for the debt restructuring plan of the Group to improve its financial position**

The Group will continue to negotiate actively with creditors and endeavour to facilitate the implementation of the debt restructuring plan to improve the financial position of the Group.

2) **Resumption of the Relevant Properties**

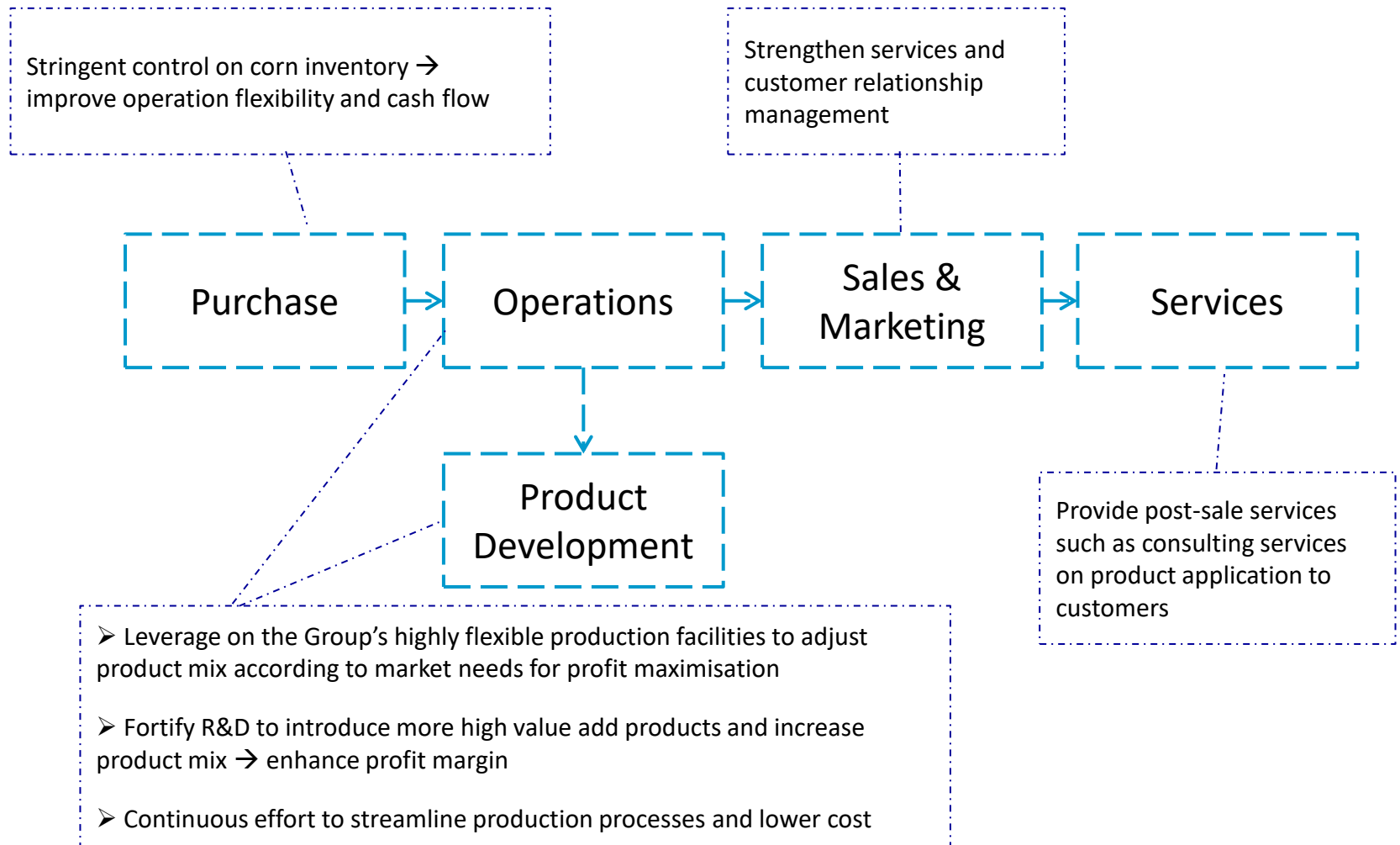
The Group will continue its negotiation with the local government and authorities to speed up the resumption of the Relevant Properties owned by the Group. The proceeds from the resumption of properties will help relieve the financial pressure of the Group.

3) **Introducing potential investors**

The management has been looking for opportunities for co-operation and potential investment with different industrial players or investors to explore other alternative investment opportunities in relation to the Group with the aim to strengthen the financial positions and the business profile of the Group.

CORPORATE STRATEGIES (CON'T)

4) GSH's value chain





CAPACITY OVERVIEW

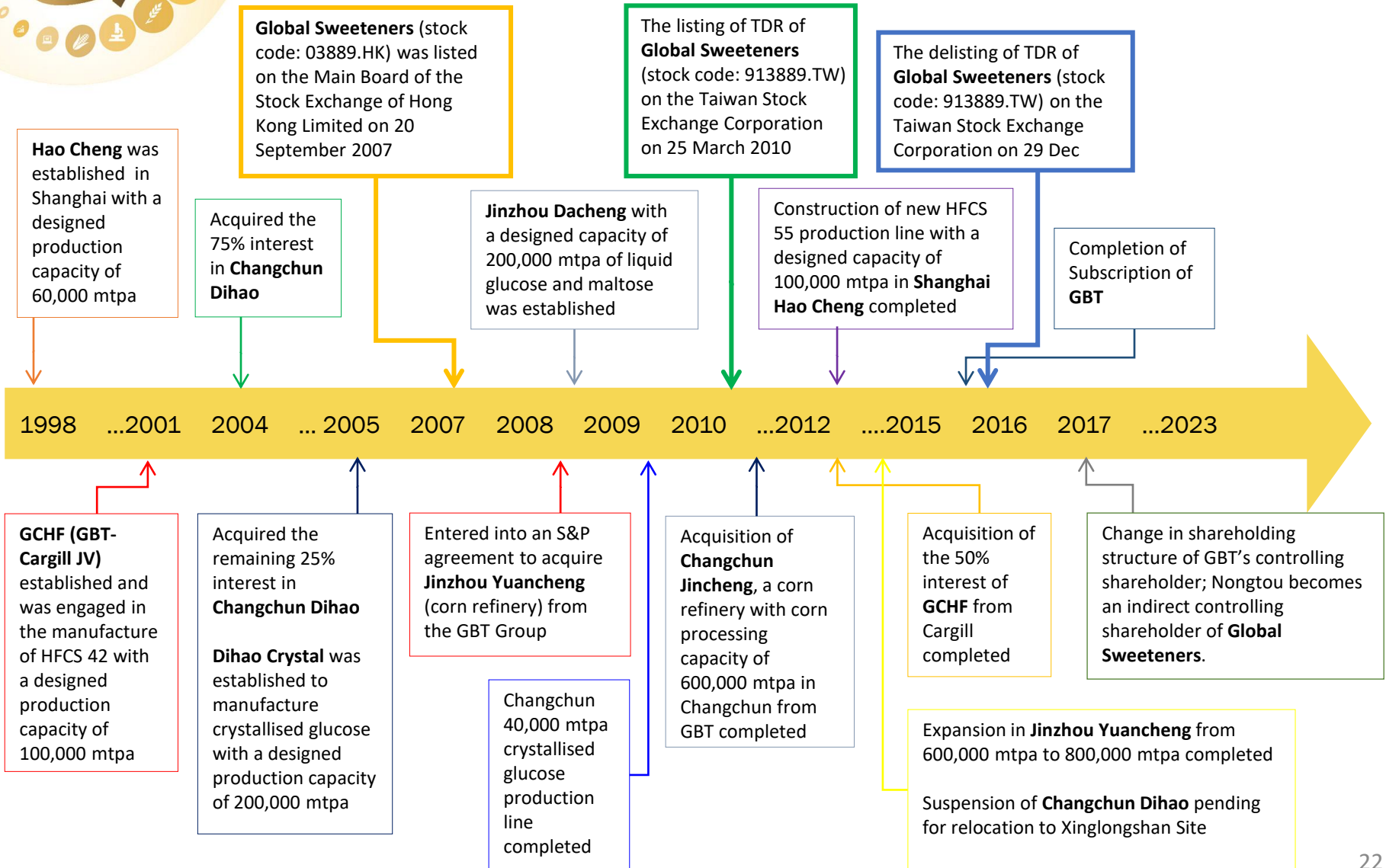


Designed Capacity (mtpa)	2023*	2022
<u>Upstream Products</u>		
Corn Starch	560,000	560,000
Other Corn Refined Products	240,000	240,000
Upstream Sub-total	800,000	800,000
<u>Downstream Products</u>		
Glucose / Maltose Syrup	360,000	360,000
HFCS	220,000	220,000
Maltodextrin	30,000	30,000
Downstream Sub-total	610,000	610,000
Total	1,410,000	1,410,000

COMPANY PROFILE



CORPORATE MILESTONES





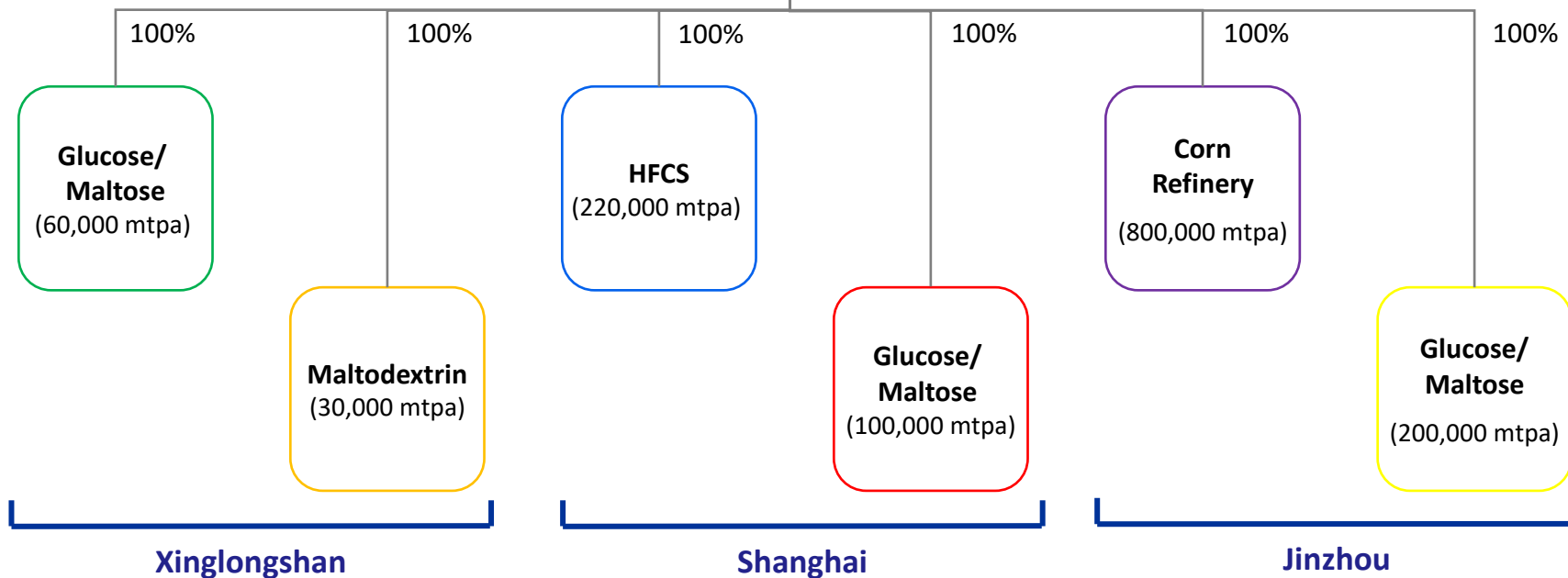
CORPORATE STRUCTURE



Public

64%

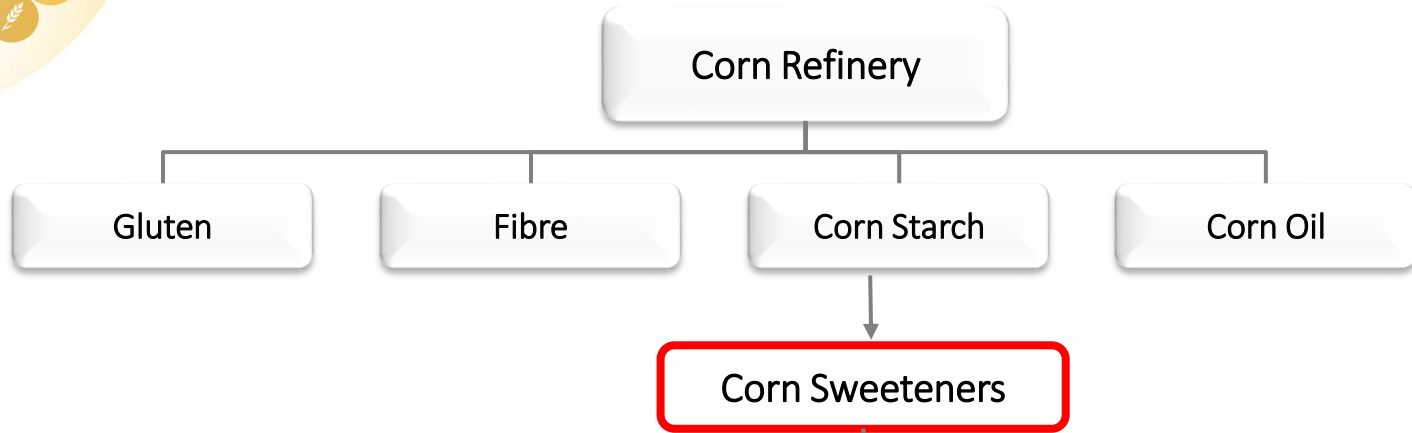
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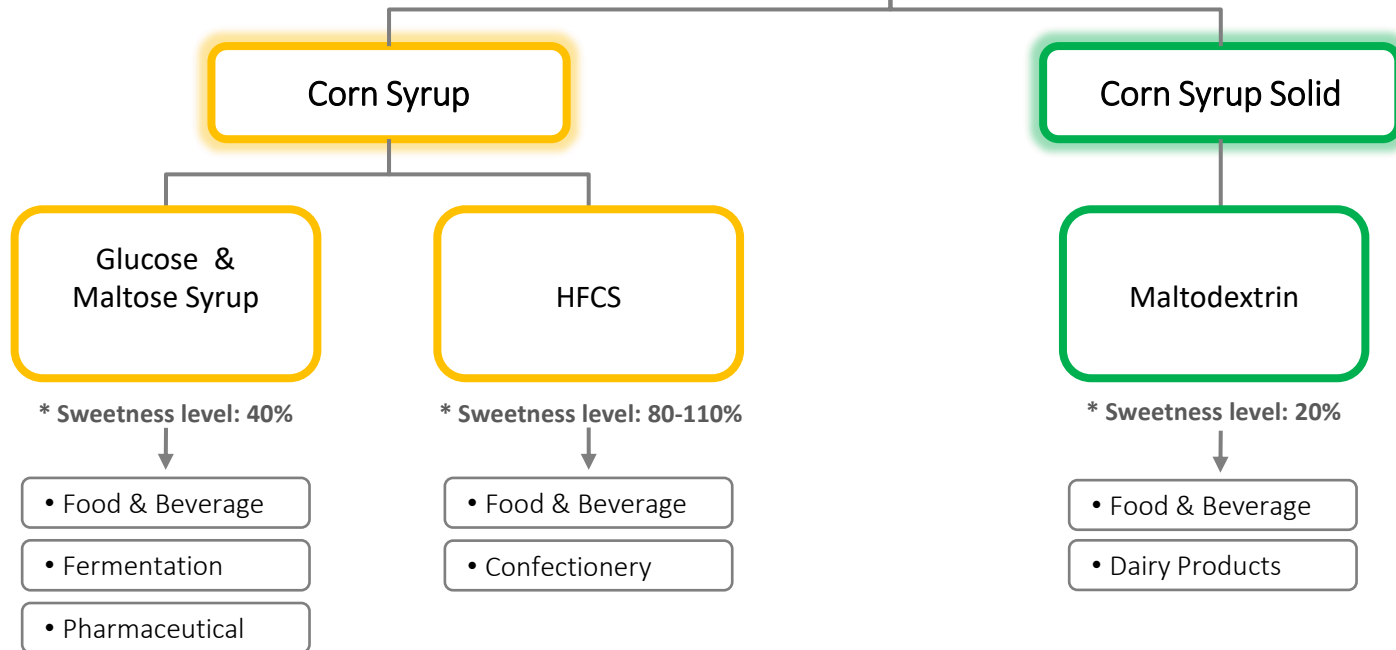


DIVERSIFIED PRODUCT MIX

UPSTREAM



DOWNSTREAM



* Sweetness level base on cane sugar sweetness

APPENDIX





PRC SUGAR & SWEETENERS PRODUCTION



Natural Sweeteners

Sugar

Raw Material:
Cane, Beet

Regions:

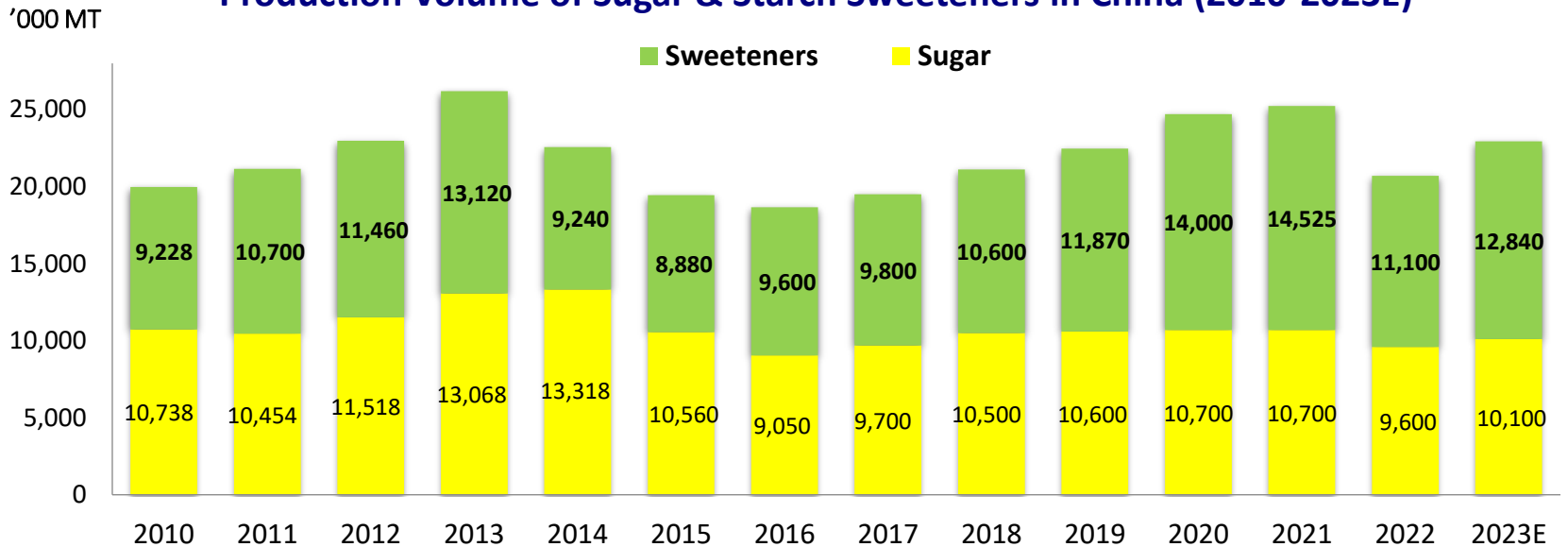
- Cane: Southern parts of China (e.g. Guangxi)
- Beet: Northern parts of China

Starch Sweeteners

Raw Material:
Corn, Potatoes, Tapioca

Regions:
Corn is produced mainly in Northern China: Jilin, Shandong & Hebei

Production Volume of Sugar & Starch Sweeteners in China (2010-2023E)



Source: China Sugar Association / USDA /Cofeed



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